GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2961
ANSWERED ON:12.08.2005
WORLD BANK LOAN FOR PGCIL
Reddy Shri Karunakara G.

Will the Minister of POWER be pleased to state:

(a) whether the Union Government has sought World Bank loan for Power Grid Corporation of India Ltd.;

(b) if so, whether the World Bank has agreed to provide loan;

(c) if so, the details of the same including terms and conditions put forward by the World Bank; and

(d) the extent to which the Government of Karnataka is likely to be benefited from the said loan?

Answer

THE MINISTER OF POWER(SHRI P.M. SAYEED)

(a) to (c) : Power Grid Corporation of India Ltd. (PGCIL) has sought loan assistance of US$ 1 billion from World Bank to be disbursed in various tranches for implementation of transmission projects during 10th & 11th Plans. The appraisal for first tranche of US$ 400 million under this loan has been completed by the World Bank. The terms and conditions of the loan will be finalized and loan agreement will be signed after negotiations.

(d) : The proposed loan assistance from the World Bank would be utilized in implementation of Central Sector transmission projects. Implementation of these transmission projects would help in strengthening regional grids and inter-regional grids and would enhance power transmission capacity of all the regions including Southern Region of which Karnataka is also a part.